A SYNOPSIS

"AN ANALYTICAL STUDY OF CASHLESS TRANSACTIONS AND ITS IMPLICATIONS ON SMALL TRADERS IN MAHARASHTRA WITH SPECIAL REFERENCE TO THANE DISTRICT"

स्वामी रामानंद तीर्थ मराठवाडा विद्यापीठ, नांदेड.

Synopsis Submitted to

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By Research Scholar

Nitin R. Wadhvinde

Under the Guidance of

Dr. Gajanan T. Waghmare

(Head of the Department of Commerce
Pratibha Niketan Mahavidyalaya, Nanded)

Research Center
Pratibha Niketan Mahavidyalaya, Nanded

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Introduction: -

In India It was in 6th century where coins where predominately used for business by purchasers and dealers. Afterwards paper cash came into force in from 1770. Paper Currency Act of 1861 helped in trade for business organizations. Hard cash and money were the king for a long period of time. With the industrialization and development, the form of paper notes changed to installment card and computerized installments. Demonetization of currencies was a generation different experience and is a great economic event before the introduction of GST in India. Prime minister declared on 7th November 2016 that the demonetization of 500 and 1000 currency notes not to be part of Indian currency. Its impact felt by every Indian citizen. The word demonetization came in practice which affects the economy through the liquidity side. Demonetization of currencies started a progressive shift from paper currency to a cashless transaction that focuses more on electronic transaction. With the rise in use of credit/debit cards, the net banking and other applications of online payment will be a positive impact of demonetization. That could help to earn some fee income as well. It has affected rural economy in both positive and negative senses. It has been observed that the price of agro products has been facing a trend where as the traders and middlemen became the real gainers, but the FMCG and vegetable prices are rising besides a growth sense is noticed in the prices of diesel and petrol as well. In past 10 years there is lot of advancement with the use of paper less currencies.

The age group of 15-60 years have access and depend to web, smartphone for cash less transactions. The present synopsis based upon field study and survey that is made during the historic demonetization aftermath and after the merger of SBH and introduction of the GST. Hence, it's a kind re-visiting the historic demonetarization and its effects earlier the GST and aftermath. Besides it would also examine the responses of rural mass to the digitization of economic transaction, usability of mobile/ Net- banking, Govt. Apps. Like BHIM in

particular and the progress of Digital India in rural areas in general.

Review of Literature:

The literature relating to the topic as under: -

1) **Ashish Das, and Rakhi Agarwal, (2010): -**
   In their paper titled as "Cashless Payment System in India-A Roadmap" Cash as a method of installment is a costly suggestion for the Government. Country needs to move from paper-based currencies to cashless i.e., electronic system of transactions. This will help diminish money administration cost, track exchanges, check charge evasion/misrepresentation and so forth., upgrade budgetary consideration and incorporate the parallel economy with standard.
2) **Pulina (2011): -**

   "Do Digital Wallets as a Payment Method Influence Consumer in Their Buying Behavior? In the said paper researcher has carried the research to find out the digital wallets as a one of the powerful source of buying behavior of the people.
3) **Anupama Sharma (2012): -**

   In the paper titled as "Plastic card fakes and the counter measures towards a more secure installment component" have studied the light on the quantity of cheats expanded impressively in the utilization of plastic cards as if there should be an occurrence of plastic card fakes the most influenced parties are the vendors of products and ventures as they need to hold up under the full obligation for misfortunes because of fakes, the banks additionally bears some cost particularly the circuitous cost though the cardholders are minimum influenced due to restricted customer risk and reasoned that every one of these misfortunes can be managed by making the judicious utilization of the new innovation and taking the separate counter measures.

4) **Sushma Patil (2014): -**

"Effect of Plastic Money on Banking Trends in India" Here researcher has inspected that Indian clients think that it's less demanding to make physical installment as against to conveying excessively money adding to the development of plastic cash in the nation. It adds thebuyer through improved item offerings at a cheap cost and that too with proper arrangements enchanted with rewards conspire, resolute extra focuses limited time battles and so forth. Different shopping stores and malls ask their client to pay by plastic cards instead of hard cash.

5) **Piyush Kumar (2015):**

"An Analysis of Growth Pattern of Cashless Transaction System" Analyzed the growth pattern wherein there is a requirement to learn about the different variables of cashless transaction system. Visa and Master Card are advanced system and are promoted to grow fast mode of cashless transaction system. Attention to technology serious conveyance channels like net keeping money, portable managing an account,and so on have made a win-win circumstance by broadening extraordinary comfort and various alternatives for clients. Banks have been utilizing innovation to lessen cost and improve proficiency, profitability and client accommodation.

6) **K. C. Balaji and K. Balaji (2016)**": -

"A Study on Demonetization and Its Impact on Cashless Transactions" found out that the development of the cashless exchange system is achieving new hierarchy. People tend to move to cashless exchanges in place of paper currency. It is therefore seems to be on the right track to state that the cashless system is a prerequisite as well as a requirement for the common people. However, any wrong doing over the web may attract danger for losing money. So it is very important for a common man to understand the problems faced by the common people. So one has to rebuff the digital lawbreakers, the legitimately organized digital

police compel with top of the line criminological labs and innovation must be made.

7) **Miss Meenal Khandake and Miss Naziya Maldar (Dec.2017): -**

In Research Journal 'International Journal of Advance Research' Presented their paper Title "A study of Consumer Behavior Towards Online Shopping With Special Reference to Ratnagiri City, Maharashtra- India" have found that E-commerce is becoming leading industry in coming days because of value proposition it offers to customers such as convenience 24x7 shopping to common people.

Scope of Research Study:

The study will be helpful in understanding the level of Cashless Transactions in Small Businesses and its various way of the cashless transaction services and mobile application among youth those who are Residential in Thane District of Maharashtra. The study may also be used as a basis of measuring Cashless Transactions of Small business program for public initiated by government awareness after demonstration 2016. The dream of cashless transaction system of small business can be possible when youth is attached with Cashless transaction services. Keeping in view the requirement of present scenario of India, the study is an attempt towards identifying and assessing the awareness and impact of Cashless transaction in small businesses in Thane District of Maharashtra.

Mode of Cashless Transactions: -

There are various methods of cashless transactions by which consumer can makes methods. Following sections covers these methods one by one.

1) **Cheque: -**

The cheque is one of the most established techniques for cashless

installment. It is a known technique to everybody. In this technique, you issue a cheque for the particular add up to another person. The cheque gets deposited the individual bank. The bank forms an installment through a clearing house.

The whole exchange done through cheque gets recorded and there is a proof of installment. Therefore, there are different strategic distance from cheque issue, one can properly utilize different cashless installment alternatives of paper less transactions.

2) Demand Draft: -

Demand draft is another simple method for cashless exchange. It is a most secure alternative to get installment from anybody. Demand draft (DD) never gets defaulted as it is marked by the financier. The inconvenience of DD and cheque is you have to visit a bank with a specific end goal to store cheque and request draft. The freedom of cheque or DD takes extra time.

3) Online Transfer- NEFT or RTGS: -

The third also considered to be yet another complex technique for the cashless exchange is online transfers. With a specific end goal to do online cash exchange, you require web managing an account office. Online exchange utilizing NEFT or RTGS is relatively speedier than cheque or DD. Online exchange should be possible from any place utilizing web office.

4) Credit Card or Debit Card: -

Credit card or Debit card is another cashless installment technique. The use of charge card and check card was constrained in India. Be that as it may, use of Visa and charge card is expanding now. Swipe card office (PoS) has been on rise in the caseless transaction in stead of paper currency notes.

5) E-Wallets: -

These have become very famous nowadays. After demonetization of

high value currencies, there is tremendous increase in the usage of E-wallets at a very large scale. We have seen those 'chai walas' and others road side vendors accepting Paytm very often. That is what exactly E-wallets are all about increasing day by day. Paytm is a popular E-wallets and there are many others available quite easily. Paytm on Wednesday, 7 December 2016 announced a totally new feature that would allow millions of people to pay using their non smart phones (feature phone), that too without internet. These E-wallets allow users to make payments using your mobile number or by scanning a QR code which takes place in jiffy. All you need to do is simply download a wallet like Paytm.

Now add money to your E-wallet. You can add money to your Paytm wallet online using debit/credit card/net banking. Also, there are physical recharge points available all over India where you can add money to your Paytm E-wallet.

There are also many other electronic wallets available in apps stores like Google Pay. You can download any of them to make digital payments easily. They include Jio Money, M-PESA & Airtel money. Even banks have launched their own e wallet apps like state bank buddy and yes pay.

6) Mobile Wallets: -

Mobile Wallets is yet another cashless installment technique in a versatile system. Simply stack cash in your wallet by means of IMPS and utilize it moving. You can download versatile wallet application from play store. Hardly any cases of portable wallets are Paytm, Pay money, Oxygen, Lime, Mobi Kwik and so forth.

7) UPI Apps: -

UPI is another system of installment framework system which helps you to do monetary exchanges on over a cell phone. UPI enables you to send or get cash utilizing virtual installment address without entering bank

data. Vendors can select with banks to acknowledge installments utilizing UPI. Like on account of a PoS machine, the vendor would require a present record with a bank to acknowledge UPI installments. The cases of few UPI Apps are SBI Pay, ICICI Pocket, and Axis Pay UPI App, Union Bank UPI App, PNB UPI, Phone Pay, TranZapp and so forth.

8) Aadhaar Enabled Payment System: -

Aadhaar Enabled Payment System (AEPS) is one of the popular cashless system used by customers. AEPS resembles Micro ATM it utilizes cell phone anda unique mark scanner for the exchange. So as to utilize this office, it is compulsory to interface your Aadhaar card to your ledger. You can utilize AEPS keeping in mind the end goal to perform exchange like Aadhar to Aadhar support exchange, Cash withdrawal, Cash store and so on.

9) Net Banking: -

It is another handy way to get cashless transaction done. Only need is a bank account with E-banking facility enabled on it. You can transfer funds to others account from the comfort of your home. You can make all payments and transfers yourself. This is a very convenient way to gocashless in India as well.

As the banking system developed over the period of time, it became easier, safe and even handy systems to keep one's money safe in a bank account and becomes easier and safer to use or transfer of money in bank accounts" for making payments. For effecting transfer of money in bank accounts, or a payment instrument was needed to instruct the bank to affect that transfer from one account into another.

This instrument was the cheque for a very long period. Today with the help of cashless installment system we can boast of a strong retail payments framework system in the country which will be comparable to that of any advanced country, and perhaps it could be even better than some of them in terms of the variety and efficiency with respect to its clarity. There are various types of payment instruments are exist to meet the requirements of different users in different circumstances for the common customers – bank accounts of the customer, cheques, debit and credit cards, prepaid payment, etc. There are different kinds of systems to meet the remittance requirements of user customers depending upon their time criticality and cost sensitivity of the transaction – Aadhaar Enabled Payment System (AEPS), National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), are the recently Unified Payments interface. The need for making bulk and repetitive payments in short span of time is met by systems such as Electronic Clearing Service (ECS), National Automated Clearing House (NACH) and Aadhaar Payment Bridge System (APBS).

Objectives of the Research Study: -

i. To study the conceptual framework of cash less transactions and its implications on Small Traders.

ii. To examine the awareness and efficiency of cash less transactions among Small Traders.

iii. To analyze the various government policies drafted for cashless transactions in India.

iv. To analyze the role of banking sector towards implementation of appropriate policies for the cash less transactions benefited to the Small Traders.

v. To suggest appropriate policies for the further improvement of cash less transactions and overcome the issues and challenges of small traders in Thane district.

Limitations of Study: -

As per nature's rule, there is no one perfect in the world. Strengths and Weaknesses go side by side regularly. How this study can be exempted from that, therefore, this study also follows certain limitations. The limitations of the study are as follows: -

a) The Study is geographically limited to Thane District of Maharashtra State.

b) The Study is limited to Small Businesses in Thane District.

c) The study is limited to a period of 10 years from 2010 to 2020.

Hypothesis of the Research Study: -

The hypotheses of the study are as follows: -

i. There is a significant relationship between operations of cashless transactions and small traders as well as purchaser.

ii. Cashless transaction operations are one of the essential elements of digital banking system.

Research Methodology: -

This Study is Descriptive and analytical study and to help the explorative study. This study is of Small Businesses and Cashless Transactionsin Thane District of Maharashtra. Considering the descriptive–analytical-explorative, features of the study, the researcher will select research model that help this type of the study. The research methodology is described here.

A. Primary Data: -

Primary data is the basic foundation of this study. The researcher will adopt

the method of personal visits and interviews, Survey, field observation for the purpose of collecting data. The researcher will prepare Questionnaire as follows: -

Questionnaires - Questionnaires for Small Businessmen in Thane District

B. Secondary Data: -

The Researcher will also collect Secondary data as followings details sources: -

Secondary data collection is referred to the gathering of data from published journals, annual reports, balance sheets, country reports, economic reports, newspapers, scholarly articles, and other related sources. While such data has already been captured by other researchers. Thus, our professionals help them to collect data from all possible sources that we have access to.

C. Statistical Tools: -

The researcher will apply different statistical tools e.g., collection, classification, tabulation, presentation in graphical forms, percentages, averages, Chi-Square test and Annova test analysis etc.

D. Selection of Sample: -

The Sample will be on the basis of the following: -

1. **Universe of the Study: -** There may be around 10,000 active Small Businesses in Thane District.

2. The Researchers may select 500 (i.e., 5% of Universe) Small Businesses as Sample. For achieving the objectives of the study researcher is going to use Random Sampling Method for collecting data. The Researcher may follow the Purposive Sample Method to Select the Sample.

The data will be collected from primary data method for Small Businesses in Thane District of Maharashtra.

Chapter Schemes: -

1. **Introduction: -**
2. **Research Methodology**
3. **Review of Literature**
4. **Government Policies for Cashless Transactions in India**
5. **Profile of Thane District**
6. **Data Analysis and Interpretations**
7. **Findings, Conclusions and Recommendations**

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Nitin R. Wadhvinde — Research Scholar

Dr. Gajanan T. Waghmare — Research Guide